

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 01547 012117Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 CIAE-00 COME-00 DODE-00

DOE-00 FMC-01 INR-10 NSAE-00 CG-00 DLOS-09

OES-07 L-03 PA-01 /050 W

-----079447 012147Z /63

P R 012040Z MAR 78

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 6294

MARITIME ADMINISTRATION WASHDC PRIORITY

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 1547

E.O. 11652: N/A

TAGS: EWWT, BR, OVIP (BLACKWELL, ROBERT J.)

SUBJ: SEA-LAND'S PLANS TO INITIATE U.S./BRAZIL SERVICE

REF: (A) RIO DE JANEIRO 0881 (B) RIO DE JANEIRO 0861

(C) BRASILIA 1350

1. SUMMARY. FONMIN TRANSPORTATION DIVISION CHIEF PIRES CONFIRMED TO ECONOFF ON FEBRUARY 28 THE NEGATIVE DECISION OF THE FEBRUARY 24 CIDETI MEETING CONCERNING THE SEA-LAND APPLICATION TO OPERATE 35-FOOT CONTAINERS IN BRAZIL (REF. A). ARGUMENTS RAISED AT THIS MEETING AGAINST THE SEA-LAND APPLICATION ARE GIVEN IN PGH 2 BELOW. END SUMMARY.

2. FOLLOWING POINTS MADE AT FEB. 24 CIDETI MEETING ARE BASED ON PIRES RECALL TO ECONOFF ON FEB. 28:

A. RECIPROCITY REQUIRES IDENTICAL THINGS. ACCORDINGLY, US AND BRAZIL HAVE RECIPROCITY ON 20 AND 40 FOOT CONTAINERS, BECAUSE BOTH COUNTRIES HAVE THEM, BUT CANNOT HAVE RECIPROCITY ON 35-FOOTERS, BECAUSE US HAS THEM,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 01547 012117Z

BUT BRAZIL DOES NOT. (PIRES SAID HE HIMSELF MADE THIS ARGUMENT AT THE MEETING.)

B. EVEN A BROADER INTERPRETATION OF THE CONCEPT OF RECIPROCITY THAN A REQUIREMENT FOR IDENTICAL THINGS WOULD STILL NOT OVERRIDE BRAZILIAN LAW PROHIBITING NON-ISO CONTAINERS. (PIRES SAID THAT HE ALSO MADE THIS ARGUMENT.)

C. SEA-LAND CONTAINERS WOULD NOT BE INTERCHANGEABLE WITH OTHER CONTAINERS IN THE BRAZILIAN TRADE. FREQUENTLY ONE LINE WILL ASK ANOTHER TO CARRY ITS CONTAINERS, PARTICULARLY IF THE CARGO IS PERISHABLE AND THE REQUESTING LINE'S OWN VESSEL IS DELAYED. SEA-LAND WOULD NOT BE ABLE TO COOPERATE WITH OTHER LINES SINCE ONLY SEA-LAND HAS 35-FOOTERS.

D. APPROVAL OF ANY TRANSITION PERIOD PERMITTING SEA-LAND TO USE 35-FOOT CONTAINERS UNTIL IT COULD ADAPT TO ISO STANDARDS WOULD BE TANTAMOUNT TO CHANGING BRAZILIAN LAW, WHICH REQUIRES ISO CONTAINERS. (PIRES SAID THE MINISTRY OF TRANSPORTATION RAISED THIS POINT.)

E. BRAZILIAN LAW SHOULD NOT BE CHANGED TO BENEFIT ONLY ONE COMPANY, AS WOULD BE THE CASE IF THE LAW WERE CHANGED TO PERMIT 35-FOOT CONTAINERS, WHICH ARE USED ONLY BY SEA-LAND.

F. DECISION HAD ALREADY BEEN MADE ON ECONOMIC AND OPERATIONAL GROUNDS AGAINST SEA-LAND ENTRY AS A RESULT OF CIDETI RESOLUTION NO. 1 OF JANUARY 20, 1978, AND PUBLISHED IN THE DIARIO OFICIAL OF JANUARY 28. THIS RESOLUTION STATED THAT CIDETI MEMBERS UNANIMOUSLY APPROVED THE REPORT OF THE MINISTRY OF INDUSTRY AND COMMERCE'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 01547 012117Z

REPRESENTATIVE (LORIVAL DE MATTOS TELLES). THE SEA-LAND REQUEST TO USE ITS 35-FOOT CONTAINERS ON BRAZILIAN HIGHWAYS AND RAILROADS WAS REJECTED ON THE GROUNDS THAT THE REQUEST LACKED "LEGAL SUPPORT" AND "OPPOSED THE NORMS OF CONTAINERIZATION ESTABLISHED BY THE GOVERNMENT." (PIRES COMMENTED THAT IT WOULD HAVE BEEN EMBARRASSING FOR CIDETI TO REVERSE ITS DECISION.)

G. THE DECISION IS NOT AGAINST SEA-LAND PER SE, BUT ONLY AGAINST ITS USE OF NON-ISO CONTAINERS IN BRAZIL. SEA-LAND IS FREE TO ENTER BRAZIL, ON THE BASIS OF RECIPROCITY, WITH ISO-STANDARD CONTAINERS. TO ENTER, SEA-LAND COULD LEASE VESSELS CONFIGURED FOR ISO-CONTAINERS IF IT WISHED.

2. AMONG OTHER THINGS, ECONOFF EXPRESSED CONCERN ABOUT FEBRUARY 24 JORNAL DO BRASIL ARTICLE (REFTEL B) BEFORE CIDETI MET THAT DAY THAT THE SEA-LAND APPLICATION WOULD BE TURNED DOWN. PIRES SIMPLY REPLIED THAT HE HAD NOT SEEN THE ARTICLE.

3. AFTER MEETING WITH PIRES, EMBOFF CALLED ON CIDETI TO REQUEST A COPY OF THE RESOLUTION OF FEBRUARY 24 AND

WAS INFORMED THAT CIDETI CHIEF COMANDANTE ABREU HAD NOT
YET SIGNED IT, BUT WAS EXPECTED TO SIGN IT ON MARCH 1.
RESOLUTION WILL BE SENT TO DIARIO OFICIAL AFTER SIGNING
AND BECOME EFFECTIVE UPON PUBLICATION. AS SOON AS PUB-
LISHED, EMBASSY WILL TRANSLATE AND SUBMIT BY TELEGRAM.
JOHNSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRASIL01547
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780094-0491
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803121/aaaadyxi.tel
Line Count: 122
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 55585ebb-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 RIO DE JANEIRO 881, 78 RIO DE JANEIRO 861, 78 BRASILIA 1350
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3161649
Secure: OPEN
Status: NATIVE
Subject: SEA-LAND'S PLANS TO INITIATE U.S./BRAZIL SERVICE
TAGS: EWWT, OVIP, BR, US, SEA-LAND, (BLACKWELL, ROBERT J)
To: STATE MARITIME ADMINISTRATION WASHDC
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/55585ebb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014